

# SEC's Focus Should Be China, Not Climate

*Guessing about an unknowable climate future is like guessing the number of angels that can dance on the head of a pin.*

By Darren McKinney

Gloom-and-doom climate models and hubristic scientists who program them in pursuit of evermore government research grants and approval from [hyperbolic](#) media are a dime-a-dozen. Thus in no way should their “consensus” ever influence a [rule-making](#) by the heretofore largely practical and sensible Securities and Exchange Commission. Were regulators even to demand that CEOs and boards of directors predict next month’s weather, much less the unknowable conditions and related investment risks that Earth’s massively complex climate system may impose decades from now, they may as well demand that publicly traded companies also annually declare the number of angels that can dance on the head of a pin.

So rather than erode its credibility any further than its nongermene forays into “diversity” and other woke causes célèbre have already, the SEC would be well-advised to get back to investment-safety basics. It might start with a universal guidance letter to all investors – individual and institutional – reminding them that they’re always free, even encouraged, to sell their shares if they believe a given company isn’t paying enough mind to dancing climate angels or other perceived risks. The guidance could emphasize adult regulators’ need to ignore activist investors’ political tantrums and focus solely on pragmatic regulation that doesn’t put U.S. companies at a competitive disadvantage against global rivals.

Speaking of global rivals, if the new Biden SEC wants to do something truly useful and not simply help allied plaintiffs’ lawyers create a new line of [securities litigation](#) over failures to predict the climate’s future, it might instead consider promulgating a rule that requires annual corporate filings that anticipate the imminent risks of investing in totalitarian Communist China. Yes, speech- and religion-suppressing, forced labor camp-operating, scientist- and physician-disappearing, political prisoner-torturing, hostage-taking, Hong Kong-dominating, Taiwan-threatening, militarized atoll-building, Belt and Road-coercing, and intellectual property-thieving China.

President Biden’s first Interim National Security Strategic Guidance [identifies](#) China as “the only competitor potentially capable of combining its economic, diplomatic, military, and technological power to mount a sustained challenge to a stable and open international system.” It is also among the few places where any foreign investment of any size can be arbitrarily seized by the government without notice or recourse.

Yet U.S. corporations and trade groups of questionable patriotism – from Mary Barra’s General Motors, Tim Cook’s Apple and the U.S. Chamber of Commerce to the Business Roundtable, Mark Zuckerberg’s Facebook and LeBron James’ National Basketball Association – are nonetheless [clamoring](#) to do business in China’s market of more than a billion consumers. In his acceptance speech during the recent NAACP Image Awards, the basketball legend Mr. James effectively criticized systemically racist America, the nation that helped make a fatherless athletic savant into a near-billionaire before age 40, for its discriminatory education practices and voter suppression. But

he conveniently averts his eyes from China's brutal re-education of Uigher Muslims and universal lack of meaningful voting rights.

Of course, Mr. James is no different than tens of thousands of other U.S. capitalists still deluding themselves about China's intentions. He just happens to be the only one who can go end-to-end in about three seconds and posterize hapless defenders with a monster dunk. So he's perhaps the most visible. But just as countless investors in Western democracies willfully deluded themselves about doing business with Hitler's Germany in the 1930s and even into the 1940s when the Nazi's genocidal madness could no longer be denied, today's America is full of such greedy fools. And the SEC should use its lawful authority to make them think more carefully about their investment risks and the related costs borne mostly by poor people such as unemployed American factory workers and arthritic Chinese children who stitch soccer balls 12 hours a day.

By obligating U.S. corporations to formalize plans for "[decoupling](#)" from China and to otherwise publicly assess the risks of their investments there, the SEC can also clear its climate conscience somewhat since China is also by far the world's biggest producer of man-made greenhouse gases. Such gases, as a breathless Washington Post report recently [asserted without citation](#), are "causing the Earth to warm faster now than at any other period in its history." Never mind that the Earth is over 4 billion years old and our ability to measure past warming and cooling rates is limited to less than [3 million years ago](#). Post owner Jeff Bezos's Amazon wants to deliver packages in Xinjiang.

*Mr. McKinney, a writer and editor in Washington, D.C., submitted these comments to the SEC at <https://www.sec.gov/news/public-statement/lee-climate-change-disclosures> on March 29, 2021.*